

1-362A046

Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

No.

Date ... DEC 28 1981

Fee \$

ICC Washington, D. C.

850
New No.

13382

RECORDATION NO. 1425

DEC 28 1981 10 20 AM

Dear Ms. Mergenovich:

Enclosed for recordation under the provisions of Section 11303(a) of Title 49 of the U.S. Code are the original and eight counterparts of an Equipment Lease dated as of February 15, 1981. This Equipment Lease is a primary document.

A general description of the railroad cars covered by the enclosed document and intended for use related to interstate commerce is set forth in Schedule 1 attached to this letter and made a part hereof.

Lessee:

The B. F. Goodrich Company
500 South Main Street
Akron, Ohio 44318

Lessor:

Valley Bank Leasing, Inc.
P.O. Box 71
Department C-719
Phoenix, Arizona 85001

The undersigned is the Lessor mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and six copies of the Equipment Lease to Gary Green, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

A short summary of the enclosed primary document to appear in the Index follows:

Equipment Lease between Valley Bank Leasing, Inc., as Lessor, P.O. Box 71, Department C-719, Phoenix, Arizona 85001, and The B. F. Goodrich Company, 44 size 5701-C, PVC Hopper Cars.

Very truly yours,

VALLEY BANK LEASING, INC.

By

Its

Vice President And

General Manager

LESSOR AS AFORESAID

Enclosures

DESCRIPTION OF EQUIPMENT

<u>Number of Items</u>	<u>Description</u>	<u>Identifying Mark and Numbers (Both Inclusive)</u>
44	Forty-Four size 5701-C PVC Hopper Cars	BFGX 1161 through BFGX 1204, both inclusive

Interstate Commerce Commission
Washington, D.C. 20423

12/28/81

OFFICE OF THE SECRETARY

Gary Green, Esq.
Chapman & Cutler
111 West Monroe Street
Chicago, Illinois 60603

Dear **Sir:**

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/28/81** at **10:20am**, and assigned re-recording number (s). **13382 & 13383**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

13382
RECORDATION NO. Filed 1425

DEC 28 1981 - 10 20 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of February 15, 1981

Between

VALLEY BANK LEASING, INC.

LESSOR

And

THE B. F. GOODRICH COMPANY

LESSEE

(BFGoodrich Lease No. 81-2)
(44 Hopper Cars)

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Attachments to Equipment Lease:

Schedule A - Description of Items of Equipment
Schedule B - Certificate of Acceptance
Schedule C - Schedule of Casualty Value for Equipment

EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of February 15, 1981, between Valley Bank Leasing, Inc., an Arizona corporation (the "Lessor"), and The B. F. Goodrich Company, a New York corporation (the "Lessee");

R E C I T A L S:

A. Pursuant to a Purchase Order Assignment dated as of February 15, 1981, the Lessee has assigned to the Lessor its right to purchase the Equipment referred to below.

B. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of February 15, 1981 (the "Participation Agreement") with the LaSalle National Bank, as security trustee (the "Secured Party") and American United Life Insurance Company (the "Note Purchaser") providing for the commitment of the Note Purchaser which, together with funds provided by the Lessor, will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part hereof. The Lessor will commit to advance an amount equal to 32.040537% of the Purchase Price of each Item of Equipment and the Note Purchaser will commit to purchase the Secured Notes (the "Notes") of the Lessor in an amount equal to 67.959463% of the Purchase Price of each Item of Equipment. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of February 15, 1981 (the "Security Agreement") from the Lessor to the Secured Party. Any capitalized term not defined herein shall have the meaning specified in the Participation Agreement.

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of each Item of Equipment by the manufacturer thereof identified in Schedule A hereto (hereinafter referred to as the "Manufacturer") and acceptance thereof by the Lessee, the Lessee shall lease and let and the Lessor shall hire to the Lessee such Item of Equipment for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. Upon delivery of each Item of Equipment to the Lessee at the place of delivery set forth in Schedule A, the Lessee will cause an inspector designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order and condition in accordance with the requirements of Section 1.3 hereof, to accept delivery of

such Item of Equipment and to execute and deliver to the Lessor and the Manufacturer thereof a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after the Outside Delivery Date set forth in Schedule A or any Item of Equipment with respect to which payment therefor by the Lessor would cause the Purchase Price for such Item and all Items of Equipment previously delivered to and accepted by the Lessee hereunder to exceed the maximum Purchase Price set forth in Schedule A.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the Manufacturer or supplier of any component thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents to the Lessor that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the Lessor for each Item of Equipment forty-four (44) semiannual installments of fixed rental, payable in arrears, the first twenty-two (22) of which shall each be in an amount equal to 5.707937% of the Purchase Price thereof and the second twenty-two (22) of which shall each be in an amount equal to 6.976364% of the Purchase Price thereof. The installments of fixed rental required to be paid by the Lessee pursuant to this Section 2.1 are hereinafter referred to as the "Fixed Rental".

2.2. Rent Payment Dates. The Term Lease Commencement Date hereunder shall be July 1, 1982. The first installment of Fixed Rental for each Item of Equipment shall be due and payable six (6) months following the Term Lease Commencement Date and the balance of said installments shall be payable at six (6) month intervals thereafter with the final such installment payable twenty-two (22) years following the Term Lease Commencement Date. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day"

means calendar days, excluding Saturdays, Sundays and holidays on which banks in the State of Ohio are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the Lessor by a check drawn on a bank located in the continental United States and forwarded to the address provided for payments in Section 20.1 hereof; provided that in the event either the Lessor or the Note Purchaser shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than three portions, in addition to the portion referred to in Section 2.3(b) hereof, and to pay each portion by such check separately to not more than three parties, the Lessee agrees to do so;

(b) The portion of any installment of Fixed Rental resulting from an increase in the amount thereof, if any, which the Lessee shall agree to pay to the Lessor pursuant to any rental adjustment arrangements contained in Section 2.4 hereof shall be paid in full to the Lessor by a check drawn on a bank located in the continental United States and forwarded to the account of the Lessor at the address provided for payments in Section 20.1 hereof;

(c) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof shall be paid to the Lessor by a check drawn on a bank located in the continental United States (identifying the same as a payment of Casualty Value relating to B. F. Goodrich Lease No. 81-2) and forwarded to the Lessor in the manner provided for notice in Section 20.1 hereof; provided that in the event either the Lessor or the Note Purchaser shall notify the Lessee in writing that the right to receive payment of such Casualty Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(d) The amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 20.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(e) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(f) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

Payment due hereunder shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing. All such checks shall be mailed sufficiently in advance of the date such payment is due to insure that on the date such payment is due, the party to receive the same shall have immediately available funds.

2.4. Adjustment of Fixed Rental. The Lessor and the Lessee understand and agree that the Fixed Rental rate set forth in Section 2.1 hereof and the Casualty Values set forth in Schedule C hereto will, as to each Item of Equipment, be adjusted in the event that (a) any amendment to, or change in, the Internal Revenue Code of 1954, as amended (the "Code"), the income tax regulations thereunder or published administrative or judicial interpretations of the Code or such regulations, is enacted or has an effective date on or prior to December 31, 1981, (b) 22 Items of Equipment are not accepted for lease hereunder during each of the months of November, 1981 and December, 1981, and (c) the Closing Date for the Items of Equipment accepted for lease occurs later than December 31, 1981.

Any adjustment required by the preceding paragraph shall be effective as of the first Fixed Rental payment date following the event giving rise to such adjustment, and shall be made in such manner as shall in the reasonable opinion of the Lessor cause the Lessor's net after-tax rate of return and net after-tax cash flow (computed on the same assumptions as were made by the Lessor in originally evaluating the transaction contemplated by this Lease) to at least equal (insofar as practicable, but in no event less than) the net after-tax rate of return and the net after-tax cash flow that would have been realized by the Lessor if such assumption had proved correct and the Casualty Values shall be similarly adjusted in amounts reasonably determined by the Lessor based on the same such assumptions.

The Lessor agrees to furnish the Lessee with such information as the Lessee may reasonably request in order to verify that any Fixed Rental rate and Casualty Values adjustment has been made in accordance with the terms of this Section 2.4.

Anything contained in this Section 2.4 to the contrary notwithstanding the Fixed Rental rate and the Casualty Values will never be less than those amounts and percentages required to enable the Lessor to satisfy its obligation in respect of the Notes.

2.5. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever; provided, however, nothing contained in this Lease shall be construed as a waiver of the Lessee's right to seek, or its entitlement to, monetary damages or specific performance on account of any failure of the Lessor to perform its obligations under this Lease or on account of any act or the breach of any warranty or representation of the Lessor so long as Lessee shall continue to make the payments of Fixed Rental and all other payments due hereunder and continue to perform its obligations under this Lease.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 18 hereof, shall terminate twenty-two (22) years following the Term Lease Commencement Date provided for in Section 2.2 hereof.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its road number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Leased from Valley Bank Leasing, Inc.
and subject to a Security Interest recorded
with the I.C.C."

with appropriate changes thereof and additions thereto as from time to time may be requested in writing by Lessor or its assignee or may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been delivered to the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee or any party subleasing the Equipment pursuant to Section 17.2 hereof may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any such sublessee

on railroad equipment used by it of the same or a similar type for convenience of identification.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR, THE LESSOR EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manufacturer or other suppliers of components incorporated therein; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. Except in the case of gross negligence or wilful misconduct of the Lessor, the Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters. Anything contained in this Section 5 to the contrary notwithstanding, so long as no Event of Default, or other event which with lapse of time or notice or both would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not take any action to interfere with the Lessee's use and possession of the Equipment in accordance with the terms of this Lease.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to any Item of Equipment or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, or (iv) as a result of claims for negligence or strict liability in tort.

The Lessee shall not be required to indemnify any party against any loss, damage, injury, claim or demand which arises out of or is caused by the gross negligence or wilful misconduct of such party (it being understood that the gross negligence or wilful misconduct of such party shall not be imputed to any other party). The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Continuation of Indemnities and Assumptions.

The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as

the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of all claims or liabilities arising under this Section 6.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

8.1. Use and Maintenance. The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. So long as the Equipment shall be leased hereunder and until the Equipment is returned to the Lessor in accordance with the provisions of Sections 13 and 15 hereof, the Lessee shall, at its own cost and expense, maintain and keep the Equipment in the same manner as the Lessee maintains equipment of the same type owned by the Lessee so as to insure that the Equipment is in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange in accordance with the Interchange Rules. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment without the prior written authority and approval of the Lessor and any assignee pursuant to Section 16 hereof which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. The Lessee shall make no other additions or improvements to any Item of Equipment unless the same are readily removable without causing material damage to such Item of Equipment. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment.

8.2. Responsibility for Damage to Equipment. In the event of loss of or damage to any Item of Equipment, or parts thereof, caused by the commodity contained therein, or incurred in the process of loading or unloading such commodity, the Lessee shall be responsible therefor, and shall indemnify the Lessor against all liability, costs, claims, loss or damage resulting therefrom.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors, sublessees or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than the Lessor, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 for claims, liens or charges arising by, through or under the Lessee shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with 49 USC Section 11303(a) of the Interstate Commerce Act and in such other places within the United States as the Lessor, the Secured Party or the Note Purchaser may reasonably request and will furnish the Lessor, the Secured Party and the Note Purchaser proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor, the Secured Party or the Note Purchaser, for the purpose of protecting the Lessor's title to, or the Secured Party's security interest in, any Item of Equipment to the satisfaction of the Lessor's, the Secured Party's or the Note Purchaser's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor, the Secured Party and the Note Purchaser proof of such filings and an opinion of counsel reasonably satisfactory to the Lessor, the Secured Party and the Note Purchaser that such action

has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action, including any opinion of counsel required pursuant to this Section 10.1.

10.2. Payment of State and Local Taxes. All rental and other payments to be made by the Lessee under this Lease will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof or the Security Agreement, including indemnification payments with respect to this Lease or payments pursuant to this Section 10.2; provided that, except with respect to indemnification payments hereunder or payments pursuant to this Section 10.2, Impositions shall not include as to each respective Indemnitee: (i) United States Federal income tax liability and, to the extent that any respective Indemnitee receives credit therefor against its United States Federal income tax liability, any foreign income tax of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of payments provided herein; and (ii) the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount in the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee has its principal place of business without apportionment to any other state (assuming such taxes are no less than the applicable taxes in Arizona or Illinois, as the case may be), except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnitee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnitee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnitee, adversely affect the interest of any Indemnitee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnitee directly and paid by such Indemnitee after such Indemnitee shall

have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied; and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnatee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will, at its own expense and at all times after delivery and acceptance of each Item of Equipment, keep or cause to be kept each such Item insured against loss on an "all risk" basis, (a) in an amount which shall be customary for companies owning property of a character similar to the Equipment and engaged in a business similar to that engaged in by the Lessee, (b) in an amount equal to the Casualty Value for such Item of Equipment, or (c) in an amount equal to the value of an Item of Equipment from time to time payable by railroad companies in possession of such Item in the event the same should then be destroyed beyond repair pursuant to applicable rules of the Interstate Commerce Commission, the United States Department of Transportation and the American Association of Railroads, whichever of the preceding three amounts is greatest. Such "all risk" insurance shall not be subject to a deductible or self-insurance provision in excess of \$1,000,000 or such other amount as the Lessor, the Note Purchaser and the Lessee shall agree upon, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible provisions shall be exclusively the cost and expense of the Lessee. The Lessee shall also maintain general public liability insurance with respect to the Equipment against damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$50,000,000 per occurrence combined single

limit or such greater amount as the Lessor shall reasonably require. Any such liability insurance may have applicable thereto deductible or self-insurance provisions, not in excess of \$1,500,000 or such other amount as the Lessor, the Note Purchaser and the Lessee shall agree upon, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible provisions shall be exclusively the cost and expense of the Lessee. All such insurance shall cover the interests of the Lessor, the Lessee, the Secured Party and the Note Purchaser in the Equipment and liability insurance shall name the Lessor, the Lessee, the Secured Party and the Note Purchaser as additional insureds in respect of risks arising out of the condition, the maintenance, use or ownership of the Equipment and shall provide that losses, if any, in respect of the Equipment shall be payable to the Lessee and the Lessor as their respective interests may appear; provided, however, that upon receipt by the Lessee of notice of the assignment of this Lease and the rents and other sums payable hereunder, as provided in Section 16 hereof, the Lessee shall cause the insurance on the Equipment to provide that the losses, if any, shall be payable (except as provided below) to the Secured Party specified in such notice under a standard lender's loss payable clause satisfactory to the Lessor and the Note Purchaser. All policies of insurance maintained pursuant to this Section 11.1 shall provide that the insurer thereunder waives all rights of subrogation against the Lessor, the Lessee, the Secured Party and the Note Purchaser, that 30 days' prior written notice of expiration or termination shall be given to the Lessor, the Secured Party and the Note Purchaser and that such insurance as to the interest of the Lessor, the Secured Party and the Note Purchaser therein shall not be invalidated by any act or neglect of the Lessor, the Lessee, the Secured Party or the Note Purchaser or by any foreclosure or other remedial proceedings or notices thereof relating to the Equipment or any interest therein nor by any change in the title or ownership of the Equipment or any interest therein or with respect thereto, or by the use or operation of the Equipment for purposes more hazardous or in a manner more hazardous than is permitted by such policy. No such policy shall contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Equipment against the peril involved, whether collectible or not; provided, however, that such policy may relieve the insurer thereunder of such liability to the extent that payment is made by a railroad company as compensation for the destruction beyond repair of an Item of Equipment pursuant to applicable rules of the Interstate Commerce Commission, the United States Department of Transportation and the American Association of Railroads. The loss, if any, under any policy covering the Equipment shall be adjusted with the insurance companies by the Lessee, subject to the approval of the Lessor and the Note Purchaser if the loss exceeds \$100,000. If the loss so adjusted is \$35,000 or less, said loss shall, provided no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default has occurred and is continuing, be paid directly to the Lessee and in all other cases to the Secured Party pursuant to said loss payable clause. All

such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this Lease. The Lessee shall furnish the Lessor, the Secured Party and the Note Purchaser with certificates of independent insurance brokers or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to each assured named therein.

The proceeds of any insurance received by the Lessor or the Secured Party on account of or for any loss or casualty in respect of any Item of Equipment shall be applied as follows: (i) if such Item of Equipment has been repaired, restored or replaced, such proceeds shall be paid to the Lessee upon a written application signed by any authorized officer of the Lessee for the payment of, or to reimburse the Lessee for the payment of, the cost of repairing, restoring or replacing such Item of Equipment so long as the restoration, replacement and repair parts become immediately subject to all of the terms and conditions of this Lease and all public filings, recordings and registrations necessary or expedient to vest title thereto in the Lessor are accomplished by the Lessee at its expense (which application shall be accompanied by satisfactory evidence of such cost and of the completion of such repair, restoration or replacement), or (ii) if this Lease is terminated with respect to such Item of Equipment as a result of a Casualty Occurrence, such proceeds shall be applied in accordance with Section 11.6; provided that, if Lessee is at the time of the application in default in the payment of any other liability of the Lessee to the Lessor hereunder such proceeds shall be applied against such liability.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the then remaining term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.7 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, shall pay to the Lessor the Fixed Rental installment due on such payment

date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Optional Retirement of Equipment. When, in the good faith judgment of any Vice President or the President of the Chemical Group of the Lessee (a) the alterations, replacements, modifications or other improvements required to be made by the Lessee pursuant to Section 7, shall render the continued operation of all of the Items of Equipment then leased hereunder economically impracticable, or (b) all of the Items of Equipment then leased hereunder shall have become obsolete, or (c) all or any portion of the Equipment then leased hereunder shall have become surplus to the needs of the Lessee, the Lessee may upon not less than 120 days' prior written notice to the Lessor and the Note Purchaser, which notice shall be signed by any such officer and shall certify the reason for termination hereunder and shall designate the date on which termination will be effective, terminate this Lease with respect to not less than all Items of Equipment then leased hereunder in the case of any termination pursuant to clauses (a) and (b) hereof and any ten or more consecutively numbered Items of Equipment selected by the Lessee in the case of any termination pursuant to clause (c) hereof as of the payment date for the fifteenth installment of Fixed Rental or as of any succeeding payment date for Fixed Rental during the term of this Lease with respect to such Items of Equipment upon payment to the Lessor of an amount equal to the Casualty Value of such Items of Equipment (together with the installment of Fixed Rental then due in respect of such Items of Equipment). If the Lessee shall have determined that all or any portion of the Items of Equipment are surplus to the needs of the Lessee, the written certification of the Lessee delivered pursuant to this Section 11.4 shall also state that the Lessee will within 120 days of such notice dispose of an equal number of items of railroad rolling stock which comply with the Interchange Rules and are of the same type owned by the Lessee. For the purposes of this Section 11.4, interest rates or similar finance charges payable by the Lessee in connection with the acquisition of similar equipment under conditional sales contracts, leases or other arrangements for deferred payment of the purchase price, shall be disregarded in the determination of whether such Equipment is obsolete or surplus to the needs of the Lessee or continued operation thereof is economically impracticable and the Lessee shall so certify in writing in connection with any such termination.

11.5. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 or 11.4 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.6. Disposition of Equipment. Any Item or Items of Equipment having been the subject of an optional retirement pursuant

to Section 11.4 hereof shall be sold for cash as soon as reasonably possible for the highest price reasonably obtainable pursuant to the best efforts of the Lessee. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. All amounts arising from the disposition of any Item of Equipment pursuant to this Section 11.6, together with any insurance proceeds, damages, requisition or condemnation payments or awards paid or payable in respect thereof, shall be the property of the Lessor, provided that so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such Event of Default shall have occurred and be continuing, the Lessee shall be entitled to retain or be reimbursed therefrom an amount up to the Casualty Value attributable thereto and actually paid by the Lessee pursuant hereto. If the Lessee fails to obtain any offer to purchase the Items of Equipment being retired pursuant to Section 11.4, the Lessee shall either (a) return such Items to the Lessor at the time of payment of the applicable Casualty Value or (b) retain such Items, and the notice of optional retirement pursuant to Section 11.4 shall be null and void, and the Items shall remain subject to the Lease.

Upon payment of the applicable Casualty Value following a Casualty Occurrence, title to the Item of Equipment which has suffered such Casualty Occurrence shall immediately vest in the Lessee.

Neither the Lessee nor any "affiliate" (as that term is hereinafter defined) of the Lessee shall be permitted to purchase any Item of Equipment with respect to which this Lease has been terminated pursuant to Section 11.3 or Section 11.4. For purposes of this Section 11.6, the term "affiliate" shall mean any parent or subsidiary of the Lessee or any corporation or other person consolidated in the published financial statements of the Lessee in accordance with generally accepted accounting principles or any other corporation or person the majority of which is directly or indirectly owned by the Lessee.

11.7. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Purchase Price of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule C opposite such date of payment.

11.8. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage

thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.9. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession. If at the end of the then current term of this Lease any Item of Equipment is then owned or held by any governmental authority under the power of eminent domain or otherwise and this Lease shall not then be renewed pursuant to Section 18 hereof, from and after such date the Lessor shall be entitled to receive and retain for its own account all sums payable by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before the first May 1 which occurs more than four months following the date of this Lease and each succeeding May 1 during the term of this Lease, the Lessee will furnish to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser and the Secured Party) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser and the Secured Party) each shall have the right during normal business hours and upon reasonable notice at their respective sole cost and expense, by their respective authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

13.1. Return. Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90-day period to any reasonable place on any railroad lines in the continental United States designated by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment. All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to the Purchase Price of such Item of Equipment multiplied by the daily equivalent of the Fixed Rental rate, or (ii) the Fair Rental Value (determined in the manner provided in Section 18 hereof) for such Item for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

13.2. Condition on Return. Each Item of Equipment returned to the Lessor pursuant to this Section 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and shall have removed therefrom, at the Lessee's expense, all commodities and accumulations and deposits caused by commodities transported therein, and (ii) meet the standards in effect upon the expiration of this Lease required for a third party purchaser or third party lessee to immediately operate such Item of Equipment for general

haulage without further inspection, repair, replacement, alterations or improvements under the Interchange Rules and/or the applicable rules of any governmental agency or other organization with jurisdiction. Nothing contained in this Section 13.2 shall be construed as requiring the Lessee to modify or alter the Equipment to conform to any particular, special or peculiar third party requirements.

13.3. Linings. The Lessee shall, at its sole cost and expense, maintain and renew all car linings (including existing linings and new linings) in respect of each Item of Equipment during the term of this Lease whenever reasonably necessary, including when necessitated by repairs to other portions of such Item; and the Lessee shall be responsible for removing the lining from each Item prior to the return thereof upon expiration or termination of this Lease unless the Lessor shall specify to the contrary.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or Casualty Value provided in Section 2 or 11 hereof and such default shall continue for five days and such default shall not be cured within 48 hours after written or telephonic notice of such default;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof not permitted by this Lease or Lessee shall permit the lapse of any insurance required to be maintained pursuant to Section 11.1;

(c) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 60 days after written notice thereof from the Lessor or any Assignee of the rights of the Lessor hereunder pursuant to Section 16 hereof to the Lessee, specifying the default and demanding the same to be remedied;

(d) Any material representation or warranty made by the Lessee herein or in the Participation Agreement or the Purchase Order Assignment or in any statement or certificate furnished to the Lessor, the Note Purchaser or the Secured Party pursuant to or in connection with this Lease, the Participation Agreement or the Purchase Order Assignment is untrue in any material respect as of the date of issuance or making thereof;

(e) A petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed; or

(f) Any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder), and, if commenced against the Lessee, are consented to or are not dismissed within 90 days after such proceedings shall have been commenced.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may upon not less than two days' prior written notice by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of

such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination, such present worth to be computed in each case on a basis of a 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rental payment date on or immediately preceding the date of termination over the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified in Section 18.2(c) hereof; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but

shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Note Purchaser and the Secured Party, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. Each Item of Equipment shall be in the condition required by Section 13 hereof. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment in such reasonable storage place on such railroad tracks in the continental United States as the Lessor may designate or, in the absence of such designation, as the Lessee may select; provided that, in the event the Lessor shall designate storage tracks which are then unavailable, then the Lessee agrees to so store the Items of Equipment upon such other storage tracks as shall then be so available and nearest to such storage tracks designated by the Lessor;

(b) Provide storage at the risk of the Lessee for each Item of Equipment on such tracks without charge

for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof;

(c) Transport the Equipment to any place of interchange on the lines of railroad within a 500-mile radius of such storage tracks, all as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item provided that the Lessee shall have received two days' prior written notice of any such demand and retaking.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (a) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason of

failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (b) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 20.2 hereof which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (c) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the rights of the Lessee under this Lease to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession by Lessee. The Lessee agrees that the Equipment will be used solely within the continental limits of the United States of America; provided that not more

than 5% of the Items of Equipment at any time may be located in Canada. The Lessee agrees that it will not, without prior written consent of the Lessor, which consent shall not be unreasonably withheld, assign this Lease or any of its rights hereunder or sublease any Item of Equipment; provided, however, that such consent shall not be required for the sublease of any Item of Equipment, so long as each such sublease shall be made expressly subject and subordinate to this Lease and the terms and provisions hereof; provided further, however, that neither such consent nor such subjection and subordination shall be required for any sublease for a period of less than 120 days of any Item of Equipment for single trips to any customers or affiliates of the Lessee, where the sole purpose of such sublease is to obtain an exemption from demurrage for any such Item of Equipment so subleased. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligations hereunder, which shall be and remain those of a principal and not a surety. The Lessee shall notify in writing the Lessor and any assignee of the Lessor pursuant to Section 16 hereof of any sublease of any Item of Equipment (except for any single trip subleases of less than 120 days to and for the convenience of customers of the Lessee or affiliates of the Lessee where the sole purpose of such sublease is to obtain exemption from demurrage), which notice shall also specify the name and address of such sublessee.

So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such an Event of Default, the Lessee may receive and retain for its own account such compensation for assignment or subletting the Equipment and/or for use of the Equipment by others as the Lessee may determine. Without limiting the foregoing, it is contemplated that the Lessee shall collect and retain for its own account all mileage allowances, rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use, ownership or operation of the Equipment, and if for any reason the Lessor shall receive any Mileage then, unless an Event of Default (or event which with the lapse of time or giving of notice, or both, would become an Event of Default) shall have occurred and be continuing, the Lessor shall promptly remit without interest said Mileage to the Lessee after the Lessee shall have furnished to the Lessor an opinion, ruling or other evidence reasonably satisfactory to the Lessor's legal counsel to the effect that the Lessor may remit all or any portion of said Mileage to the Lessee without violation of the provisions of 49 U.S.C. Section 11902, or any other applicable law or regulation. The obligation of the Lessor under the next preceding sentence shall survive termination of this Lease.

17.3. Merger, Consolidation or Acquisition of Lessee.
Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or

substantially all of the assets of the Lessee, provided that such assignee, successor or transferee shall have duly assumed the obligations of the Lessee hereunder and that it will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Lease and that such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a surety.

SECTION 18. RIGHT OF FIRST REFUSAL; RENEWAL OPTION.

18.1. Right of First Refusal. Unless an Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not, at or before the expiration of the term of this Lease (including any renewal term pursuant to Section 18.2 hereof) sell, transfer or otherwise dispose of an Item of Equipment or at any time within 90 days following the expiration of the term of this Lease (including any such renewal term) sell, transfer or otherwise dispose of an Item of Equipment for delivery within such 90-day period unless:

(a) the Lessor shall have received from a responsible purchaser or purchasers a bona fide offer or offers in writing to purchase such Item of Equipment;

(b) the Lessor shall have given the Lessee notice (i) setting forth in detail the identity of such purchaser or purchasers, the Item or Items of Equipment to be purchased, the proposed purchase price or prices, the proposed date of purchase and all other material terms and conditions of such purchase, including, without limitation, any arrangements for the financing of such purchase known to the Lessor, and (ii) offering to sell such Item of Equipment to the Lessee upon the same terms and conditions as those set forth in such notice; provided that in the event such proposal is in respect of more than one Item of Equipment, the Lessee must purchase all such Items of Equipment as a group; and provided, further, that nothing contained herein shall be construed as requiring the Lessor to provide financing to the Lessee to enable it to purchase any Item(s) of Equipment; and

(c) the Lessee shall not have notified the Lessor, within 15 days following receipt of such notice, of its election to purchase such Item or Items of Equipment upon such terms and conditions.

If the Lessee shall not have so elected to purchase such Item or Items of Equipment, the Lessor may sell such Item or Items of Equipment at a price and upon other terms and conditions no less favorable to the Lessor than those specified in such notice.

Notwithstanding the foregoing provisions of this Section 18.1, the Lessor may, if the Lessee has not renewed this Lease pursuant to Section 18.2 hereof, lease any or all Items of Equipment at any time after the end of the original term of this Lease (or, if the Lessee has renewed this Lease for a renewal term pursuant to Section 18.2 hereof, at the end of such renewal term) without first offering to lease the Equipment to the Lessee.

18.2. Renewal Option. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the following renewal options:

(a) The Lessee shall have the option to renew and extend this Lease as to all, but not less than all, of the Items of Equipment then leased hereunder for one additional term in excess of one year as the Lessee and the Lessor shall agree upon and subject to the terms and conditions herein contained for the original term of this Lease; provided that the Fixed Rental payable for and during any such renewal term shall be an amount equal to the Fair Rental Value (as hereinafter defined) of such Items of Equipment.

(b) The Casualty Value payable for and during any renewal term pursuant to Section 18.2(a) in respect of any Item of Equipment suffering a Casualty Occurrence during such term shall be the Fair Market Value of such Item of Equipment as of the first day of the year in which such Casualty Occurrence shall occur.

(c) The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If on or before 90 days prior to the date of commencement of the renewal term elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days after the beginning of such 90-day period, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 60 days

prior to the date of commencement of the renewal term elected by the Lessee, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

The Lessee shall give the Lessor written notice of the election to renew the term of this Lease pursuant to Section 18.2(a) hereof at least 120 days prior to the commencement of the renewal term.

18.3. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in Section 18.1 or to renew this Lease in respect of such Items of Equipment as provided in this Section 18.2, all of such Items of Equipment shall be returned to the Lessor at the end of the original term, or the renewal term, as the case may be, in accordance with Section 13 hereof.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 16.625% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. MISCELLANEOUS.

20.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been duly given when delivered personally or otherwise actually received or five business days after being deposited in the United States certified mails, postage prepaid (whichever is earlier), addressed as follows:

If to the Lessor: Valley Bank Leasing, Inc.
P.O. Box 71
Department C-719
Phoenix, Arizona 85001
Attention: Lease Administrator

[With copies to:
GATX Leasing Corporation ("GATX")
Four Embarcadero Center
San Francisco, California 94111
Attention: Contracts Administration]

If to the Note
Purchaser:

American United Life Insurance Company
One West 26th Street
Indianapolis, Indiana 46206
Attention: Securities Division

All notices and communications to be
addressed as above, but all payments
to be addressed as follows:

By bank wire transfer of Federal
or other immediately available
funds (identifying each payment
as to issuer, security and principal
or interest) to:

Account #20-6168-7
American Fletcher National Bank
7th Floor, Wire Transfer Department
101 Monument Circle
Indianapolis, Indiana 46204

If to the Secured
Party:

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60690
Attention: Corporate Trust Department

If to the Lessee:

The B. F. Goodrich Company
500 South Main Street
Akron, Ohio 44318
Attention: Treasurer

or addressed to any such party at such other address as such
party shall hereafter furnish to such other parties in writing.

20.2. Right of Lessor to Perform. If the Lessee shall
fail to comply with any of its covenants herein contained, either
the Lessor or, in the case of an assignment by the Lessor pursuant
to Section 16 hereof, the assignee thereunder (including, without
limitation, the Secured Party and the Note Purchaser) may, but
shall not be obligated to, make advances to perform the same and
to take all such action as may be necessary to obtain such perform-
ance. Any payment so made by any such party and all cost and
expense (including, without limitation, reasonable attorneys' fees
and expenses) incurred in connection therewith shall be payable by
the Lessee to the party making the same upon demand as additional
rent hereunder, with interest at the rate of 16.625% per annum (or
the lawful rate, whichever is less).

20.3. Execution in Counterparts. This Lease, and any
amendment hereto, may be executed in several counterparts, each of

which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

20.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

20.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.


20.6. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

VALLEY BANK LEASING, INC.

By

Its


Vice President And
General Manager

THE B. F. GOODRICH COMPANY

By

Its

STATE OF ARIZONA)
) SS
COUNTY OF Maricopa)

On this 21st day of Dec., 1981, before me personally appeared Allen C. Wilson, to me personally known, who being by me duly sworn, says that he is the Vice President And General Manager of VALLEY BANK LEASING, INC., an Arizona corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lora Mohr nee Sheets
Notary Public

[NOTARIAL SEAL]

My commission expires:
My Commission Expires Sept. 21, 1984

STATE OF OHIO)
) SS
COUNTY OF SUMMIT)

On this ____ day of _____, 1981, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of THE B. F. GOODRICH COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

DESCRIPTION OF ITEMS OF EQUIPMENT

Manufacturer of Equipment:	ACF Industries, Incorporated
Description and Mark and Number of Items of Equipment:	44 Hopper Cars Marked and Numbered BFGX 1161 to BFGX 1204, both inclusive
Base Purchase Price of Equipment:	\$52,875 per Item (\$2,326,500 for 44 Items)
Maximum Aggregate Purchase Price of Equipment:	\$58,162.50 (\$2,559,150 for 44 Items)
Place of Delivery:	Louisville, Kentucky
Outside Delivery Date for Equipment:	December 31, 1981

(BFGoodrich No. 81-2)

SCHEDULE A
(to Equipment Lease)

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: Valley Bank Leasing, Inc.,
an Arizona corporation
(the "Lessor")

ACF Industries, Incorporated (the "Manufacturer")

I, a duly appointed and authorized representative of The B. F. Goodrich Company (the "Lessee") under the Equipment Lease dated as of February 15, 1981 between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment are in good order and condition, and appear to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"Leased from Valley Bank Leasing, Inc.,
as Owner and Subject to a Security Interest
Recorded with the I.C.C."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Manufacturer for any warranties it has made with respect to the Equipment.

Dated: _____, 19__

Inspector and Authorized
Representative of the Lessee

(BFGoodrich No. 81-2)

SCHEDULE B
(to Equipment Lease)

SCHEDULE OF CASUALTY VALUE FOR EQUIPMENT

The Casualty Value for an Item of Equipment payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid</u>	<u>Percentage of Purchase Price Payable as Casualty Value</u>
Term Lease Commencement Date	115.054%
January 1, 1983	119.164
July 1, 1983	122.345
January 1, 1984	123.778
July 1, 1984	124.840
January 1, 1985	125.906
July 1, 1985	126.371
January 1, 1986	126.045
July 1, 1986	125.422
January 1, 1987	124.572
July 1, 1987	123.702
January 1, 1988	122.966
July 1, 1988	122.167
January 1, 1989	121.304
July 1, 1989	120.370
January 1, 1990	119.393
July 1, 1990	118.359
January 1, 1991	117.256
July 1, 1991	116.085
January 1, 1992	114.847
July 1, 1992	113.547
January 1, 1993	112.213
July 1, 1993	110.828
January 1, 1994	108.148
July 1, 1994	105.253
January 1, 1995	102.158
July 1, 1995	98.973
January 1, 1996	95.743
July 1, 1996	92.357
January 1, 1997	88.848
July 1, 1997	85.188
January 1, 1998	81.431
July 1, 1998	77.523
January 1, 1999	73.521
July 1, 1999	69.374
January 1, 2000	65.155
July 1, 2000	60.824
January 1, 2001	56.440
July 1, 2001	51.950
January 1, 2002	47.444

(BFGoodrich No. 81-2)

Term Lease Commencement Date
or Number of Fixed Rental
Payment Date on which
Casualty Value is Paid

Percentage of Purchase
Price Payable as
Casualty Value

July 1, 2002	42.862
January 1, 2003	38.309
July 1, 2003	33.378
January 1, 2004	28.170
July 1, 2004	25.000

13382

RECORDATION NO. Filed 1425

DEC 28 1981 - 10 20 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of February 15, 1981

Between

VALLEY BANK LEASING, INC.

LESSOR

And

THE B. F. GOODRICH COMPANY

LESSEE

(BFGoodrich Lease No. 81-2)
(44 Hopper Cars)

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Attachments to Equipment Lease:

Schedule A - Description of Items of Equipment
Schedule B - Certificate of Acceptance
Schedule C - Schedule of Casualty Value for Equipment

EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of February 15, 1981, between Valley Bank Leasing, Inc., an Arizona corporation (the "Lessor"), and The B. F. Goodrich Company, a New York corporation (the "Lessee");

R E C I T A L S:

A. Pursuant to a Purchase Order Assignment dated as of February 15, 1981, the Lessee has assigned to the Lessor its right to purchase the Equipment referred to below.

B. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of February 15, 1981 (the "Participation Agreement") with the LaSalle National Bank, as security trustee (the "Secured Party") and American United Life Insurance Company (the "Note Purchaser") providing for the commitment of the Note Purchaser which, together with funds provided by the Lessor, will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part hereof. The Lessor will commit to advance an amount equal to 32.040537% of the Purchase Price of each Item of Equipment and the Note Purchaser will commit to purchase the Secured Notes (the "Notes") of the Lessor in an amount equal to 67.959463% of the Purchase Price of each Item of Equipment. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of February 15, 1981 (the "Security Agreement") from the Lessor to the Secured Party. Any capitalized term not defined herein shall have the meaning specified in the Participation Agreement.

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of each Item of Equipment by the manufacturer thereof identified in Schedule A hereto (hereinafter referred to as the "Manufacturer") and acceptance thereof by the Lessee, the Lessee shall lease and let and the Lessor shall hire to the Lessee such Item of Equipment for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. Upon delivery of each Item of Equipment to the Lessee at the place of delivery set forth in Schedule A, the Lessee will cause an inspector designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order and condition in accordance with the requirements of Section 1.3 hereof, to accept delivery of

such Item of Equipment and to execute and deliver to the Lessor and the Manufacturer thereof a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after the Outside Delivery Date set forth in Schedule A or any Item of Equipment with respect to which payment therefor by the Lessor would cause the Purchase Price for such Item and all Items of Equipment previously delivered to and accepted by the Lessee hereunder to exceed the maximum Purchase Price set forth in Schedule A.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the Manufacturer or supplier of any component thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents to the Lessor that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the Lessor for each Item of Equipment forty-four (44) semiannual installments of fixed rental, payable in arrears, the first twenty-two (22) of which shall each be in an amount equal to 5.707937% of the Purchase Price thereof and the second twenty-two (22) of which shall each be in an amount equal to 6.976364% of the Purchase Price thereof. The installments of fixed rental required to be paid by the Lessee pursuant to this Section 2.1 are hereinafter referred to as the "Fixed Rental".

2.2. Rent Payment Dates. The Term Lease Commencement Date hereunder shall be July 1, 1982. The first installment of Fixed Rental for each Item of Equipment shall be due and payable six (6) months following the Term Lease Commencement Date and the balance of said installments shall be payable at six (6) month intervals thereafter with the final such installment payable twenty-two (22) years following the Term Lease Commencement Date. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day"

means calendar days, excluding Saturdays, Sundays and holidays on which banks in the State of Ohio are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the Lessor by a check drawn on a bank located in the continental United States and forwarded to the address provided for payments in Section 20.1 hereof; provided that in the event either the Lessor or the Note Purchaser shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than three portions, in addition to the portion referred to in Section 2.3(b) hereof, and to pay each portion by such check separately to not more than three parties, the Lessee agrees to do so;

(b) The portion of any installment of Fixed Rental resulting from an increase in the amount thereof, if any, which the Lessee shall agree to pay to the Lessor pursuant to any rental adjustment arrangements contained in Section 2.4 hereof shall be paid in full to the Lessor by a check drawn on a bank located in the continental United States and forwarded to the account of the Lessor at the address provided for payments in Section 20.1 hereof;

(c) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof shall be paid to the Lessor by a check drawn on a bank located in the continental United States (identifying the same as a payment of Casualty Value relating to B. F. Goodrich Lease No. 81-2) and forwarded to the Lessor in the manner provided for notice in Section 20.1 hereof; provided that in the event either the Lessor or the Note Purchaser shall notify the Lessee in writing that the right to receive payment of such Casualty Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(d) The amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 20.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(e) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(f) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

Payment due hereunder shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing. All such checks shall be mailed sufficiently in advance of the date such payment is due to insure that on the date such payment is due, the party to receive the same shall have immediately available funds.

2.4. Adjustment of Fixed Rental. The Lessor and the Lessee understand and agree that the Fixed Rental rate set forth in Section 2.1 hereof and the Casualty Values set forth in Schedule C hereto will, as to each Item of Equipment, be adjusted in the event that (a) any amendment to, or change in, the Internal Revenue Code of 1954, as amended (the "Code"), the income tax regulations thereunder or published administrative or judicial interpretations of the Code or such regulations, is enacted or has an effective date on or prior to December 31, 1981, (b) 22 Items of Equipment are not accepted for lease hereunder during each of the months of November, 1981 and December, 1981, and (c) the Closing Date for the Items of Equipment accepted for lease occurs later than December 31, 1981.

Any adjustment required by the preceding paragraph shall be effective as of the first Fixed Rental payment date following the event giving rise to such adjustment, and shall be made in such manner as shall in the reasonable opinion of the Lessor cause the Lessor's net after-tax rate of return and net after-tax cash flow (computed on the same assumptions as were made by the Lessor in originally evaluating the transaction contemplated by this Lease) to at least equal (insofar as practicable, but in no event less than) the net after-tax rate of return and the net after-tax cash flow that would have been realized by the Lessor if such assumption had proved correct and the Casualty Values shall be similarly adjusted in amounts reasonably determined by the Lessor based on the same such assumptions.

The Lessor agrees to furnish the Lessee with such information as the Lessee may reasonably request in order to verify that any Fixed Rental rate and Casualty Values adjustment has been made in accordance with the terms of this Section 2.4.

Anything contained in this Section 2.4 to the contrary notwithstanding the Fixed Rental rate and the Casualty Values will never be less than those amounts and percentages required to enable the Lessor to satisfy its obligation in respect of the Notes.

2.5. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, the taking or requisitioning of the Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever; provided, however, nothing contained in this Lease shall be construed as a waiver of the Lessee's right to seek, or its entitlement to, monetary damages or specific performance on account of any failure of the Lessor to perform its obligations under this Lease or on account of any act or the breach of any warranty or representation of the Lessor so long as Lessee shall continue to make the payments of Fixed Rental and all other payments due hereunder and continue to perform its obligations under this Lease.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 18 hereof, shall terminate twenty-two (22) years following the Term Lease Commencement Date provided for in Section 2.2 hereof.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its road number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Leased from Valley Bank Leasing, Inc.
and subject to a Security Interest recorded
with the I.C.C."

with appropriate changes thereof and additions thereto as from time to time may be requested in writing by Lessor or its assignee or may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been delivered to the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee or any party subleasing the Equipment pursuant to Section 17.2 hereof may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any such sublessee

on railroad equipment used by it of the same or a similar type for convenience of identification.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR, THE LESSOR EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manufacturer or other suppliers of components incorporated therein; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. Except in the case of gross negligence or wilful misconduct of the Lessor, the Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters. Anything contained in this Section 5 to the contrary notwithstanding, so long as no Event of Default, or other event which with lapse of time or notice or both would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not take any action to interfere with the Lessee's use and possession of the Equipment in accordance with the terms of this Lease.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to any Item of Equipment or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, or (iv) as a result of claims for negligence or strict liability in tort.

The Lessee shall not be required to indemnify any party against any loss, damage, injury, claim or demand which arises out of or is caused by the gross negligence or wilful misconduct of such party (it being understood that the gross negligence or wilful misconduct of such party shall not be imputed to any other party). The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Continuation of Indemnities and Assumptions.

The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as

the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of all claims or liabilities arising under this Section 6.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

8.1. Use and Maintenance. The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. So long as the Equipment shall be leased hereunder and until the Equipment is returned to the Lessor in accordance with the provisions of Sections 13 and 15 hereof, the Lessee shall, at its own cost and expense, maintain and keep the Equipment in the same manner as the Lessee maintains equipment of the same type owned by the Lessee so as to insure that the Equipment is in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange in accordance with the Interchange Rules. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment without the prior written authority and approval of the Lessor and any assignee pursuant to Section 16 hereof which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. The Lessee shall make no other additions or improvements to any Item of Equipment unless the same are readily removable without causing material damage to such Item of Equipment. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment.

8.2. Responsibility for Damage to Equipment. In the event of loss of or damage to any Item of Equipment, or parts thereof, caused by the commodity contained therein, or incurred in the process of loading or unloading such commodity, the Lessee shall be responsible therefor, and shall indemnify the Lessor against all liability, costs, claims, loss or damage resulting therefrom.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors, sublessees or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than the Lessor, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 for claims, liens or charges arising by, through or under the Lessee shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with 49 USC Section 11303(a) of the Interstate Commerce Act and in such other places within the United States as the Lessor, the Secured Party or the Note Purchaser may reasonably request and will furnish the Lessor, the Secured Party and the Note Purchaser proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor, the Secured Party or the Note Purchaser, for the purpose of protecting the Lessor's title to, or the Secured Party's security interest in, any Item of Equipment to the satisfaction of the Lessor's, the Secured Party's or the Note Purchaser's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor, the Secured Party and the Note Purchaser proof of such filings and an opinion of counsel reasonably satisfactory to the Lessor, the Secured Party and the Note Purchaser that such action

has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action, including any opinion of counsel required pursuant to this Section 10.1.

10.2. Payment of State and Local Taxes. All rental and other payments to be made by the Lessee under this Lease will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof or the Security Agreement, including indemnification payments with respect to this Lease or payments pursuant to this Section 10.2; provided that, except with respect to indemnification payments hereunder or payments pursuant to this Section 10.2, Impositions shall not include as to each respective Indemnitee: (i) United States Federal income tax liability and, to the extent that any respective Indemnitee receives credit therefor against its United States Federal income tax liability, any foreign income tax of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of payments provided herein; and (ii) the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount in the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee has its principal place of business without apportionment to any other state (assuming such taxes are no less than the applicable taxes in Arizona or Illinois, as the case may be), except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnitee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnitee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnitee, adversely affect the interest of any Indemnitee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnitee directly and paid by such Indemnitee after such Indemnitee shall

have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnatee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnatee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will, at its own expense and at all times after delivery and acceptance of each Item of Equipment, keep or cause to be kept each such Item insured against loss on an "all risk" basis, (a) in an amount which shall be customary for companies owning property of a character similar to the Equipment and engaged in a business similar to that engaged in by the Lessee, (b) in an amount equal to the Casualty Value for such Item of Equipment, or (c) in an amount equal to the value of an Item of Equipment from time to time payable by railroad companies in possession of such Item in the event the same should then be destroyed beyond repair pursuant to applicable rules of the Interstate Commerce Commission, the United States Department of Transportation and the American Association of Railroads, whichever of the preceding three amounts is greatest. Such "all risk" insurance shall not be subject to a deductible or self-insurance provision in excess of \$1,000,000 or such other amount as the Lessor, the Note Purchaser and the Lessee shall agree upon, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible provisions shall be exclusively the cost and expense of the Lessee. The Lessee shall also maintain general public liability insurance with respect to the Equipment against damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than \$50,000,000 per occurrence combined single

limit or such greater amount as the Lessor shall reasonably require. Any such liability insurance may have applicable thereto deductible or self-insurance provisions, not in excess of \$1,500,000 or such other amount as the Lessor, the Note Purchaser and the Lessee shall agree upon, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible provisions shall be exclusively the cost and expense of the Lessee. All such insurance shall cover the interests of the Lessor, the Lessee, the Secured Party and the Note Purchaser in the Equipment and liability insurance shall name the Lessor, the Lessee, the Secured Party and the Note Purchaser as additional insureds in respect of risks arising out of the condition, the maintenance, use or ownership of the Equipment and shall provide that losses, if any, in respect of the Equipment shall be payable to the Lessee and the Lessor as their respective interests may appear; provided, however, that upon receipt by the Lessee of notice of the assignment of this Lease and the rents and other sums payable hereunder, as provided in Section 16 hereof, the Lessee shall cause the insurance on the Equipment to provide that the losses, if any, shall be payable (except as provided below) to the Secured Party specified in such notice under a standard lender's loss payable clause satisfactory to the Lessor and the Note Purchaser. All policies of insurance maintained pursuant to this Section 11.1 shall provide that the insurer thereunder waives all rights of subrogation against the Lessor, the Lessee, the Secured Party and the Note Purchaser, that 30 days' prior written notice of expiration or termination shall be given to the Lessor, the Secured Party and the Note Purchaser and that such insurance as to the interest of the Lessor, the Secured Party and the Note Purchaser therein shall not be invalidated by any act or neglect of the Lessor, the Lessee, the Secured Party or the Note Purchaser or by any foreclosure or other remedial proceedings or notices thereof relating to the Equipment or any interest therein nor by any change in the title or ownership of the Equipment or any interest therein or with respect thereto, or by the use or operation of the Equipment for purposes more hazardous or in a manner more hazardous than is permitted by such policy. No such policy shall contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Equipment against the peril involved, whether collectible or not; provided, however, that such policy may relieve the insurer thereunder of such liability to the extent that payment is made by a railroad company as compensation for the destruction beyond repair of an Item of Equipment pursuant to applicable rules of the Interstate Commerce Commission, the United States Department of Transportation and the American Association of Railroads. The loss, if any, under any policy covering the Equipment shall be adjusted with the insurance companies by the Lessee, subject to the approval of the Lessor and the Note Purchaser if the loss exceeds \$100,000. If the loss so adjusted is \$35,000 or less, said loss shall, provided no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default has occurred and is continuing, be paid directly to the Lessee and in all other cases to the Secured Party pursuant to said loss payable clause. All

such policies shall provide that the loss, if any, thereunder shall be adjusted and paid as provided in this Lease. The Lessee shall furnish the Lessor, the Secured Party and the Note Purchaser with certificates of independent insurance brokers or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to each assured named therein.

The proceeds of any insurance received by the Lessor or the Secured Party on account of or for any loss or casualty in respect of any Item of Equipment shall be applied as follows: (i) if such Item of Equipment has been repaired, restored or replaced, such proceeds shall be paid to the Lessee upon a written application signed by any authorized officer of the Lessee for the payment of, or to reimburse the Lessee for the payment of, the cost of repairing, restoring or replacing such Item of Equipment so long as the restoration, replacement and repair parts become immediately subject to all of the terms and conditions of this Lease and all public filings, recordings and registrations necessary or expedient to vest title thereto in the Lessor are accomplished by the Lessee at its expense (which application shall be accompanied by satisfactory evidence of such cost and of the completion of such repair, restoration or replacement), or (ii) if this Lease is terminated with respect to such Item of Equipment as a result of a Casualty Occurrence, such proceeds shall be applied in accordance with Section 11.6; provided that, if Lessee is at the time of the application in default in the payment of any other liability of the Lessee to the Lessor hereunder such proceeds shall be applied against such liability.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the then remaining term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Secured Party and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.7 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, shall pay to the Lessor the Fixed Rental installment due on such payment

date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Optional Retirement of Equipment. When, in the good faith judgment of any Vice President or the President of the Chemical Group of the Lessee (a) the alterations, replacements, modifications or other improvements required to be made by the Lessee pursuant to Section 7, shall render the continued operation of all of the Items of Equipment then leased hereunder economically impracticable, or (b) all of the Items of Equipment then leased hereunder shall have become obsolete, or (c) all or any portion of the Equipment then leased hereunder shall have become surplus to the needs of the Lessee, the Lessee may upon not less than 120 days' prior written notice to the Lessor and the Note Purchaser, which notice shall be signed by any such officer and shall certify the reason for termination hereunder and shall designate the date on which termination will be effective, terminate this Lease with respect to not less than all Items of Equipment then leased hereunder in the case of any termination pursuant to clauses (a) and (b) hereof and any ten or more consecutively numbered Items of Equipment selected by the Lessee in the case of any termination pursuant to clause (c) hereof as of the payment date for the fifteenth installment of Fixed Rental or as of any succeeding payment date for Fixed Rental during the term of this Lease with respect to such Items of Equipment upon payment to the Lessor of an amount equal to the Casualty Value of such Items of Equipment (together with the installment of Fixed Rental then due in respect of such Items of Equipment). If the Lessee shall have determined that all or any portion of the Items of Equipment are surplus to the needs of the Lessee, the written certification of the Lessee delivered pursuant to this Section 11.4 shall also state that the Lessee will within 120 days of such notice dispose of an equal number of items of railroad rolling stock which comply with the Interchange Rules and are of the same type owned by the Lessee. For the purposes of this Section 11.4, interest rates or similar finance charges payable by the Lessee in connection with the acquisition of similar equipment under conditional sales contracts, leases or other arrangements for deferred payment of the purchase price, shall be disregarded in the determination of whether such Equipment is obsolete or surplus to the needs of the Lessee or continued operation thereof is economically impracticable and the Lessee shall so certify in writing in connection with any such termination.

11.5. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 or 11.4 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.6. Disposition of Equipment. Any Item or Items of Equipment having been the subject of an optional retirement pursuant

to Section 11.4 hereof shall be sold for cash as soon as reasonably possible for the highest price reasonably obtainable pursuant to the best efforts of the Lessee. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. All amounts arising from the disposition of any Item of Equipment pursuant to this Section 11.6, together with any insurance proceeds, damages, requisition or condemnation payments or awards paid or payable in respect thereof, shall be the property of the Lessor, provided that so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such Event of Default shall have occurred and be continuing, the Lessee shall be entitled to retain or be reimbursed therefrom an amount up to the Casualty Value attributable thereto and actually paid by the Lessee pursuant hereto. If the Lessee fails to obtain any offer to purchase the Items of Equipment being retired pursuant to Section 11.4, the Lessee shall either (a) return such Items to the Lessor at the time of payment of the applicable Casualty Value or (b) retain such Items, and the notice of optional retirement pursuant to Section 11.4 shall be null and void, and the Items shall remain subject to the Lease.

Upon payment of the applicable Casualty Value following a Casualty Occurrence, title to the Item of Equipment which has suffered such Casualty Occurrence shall immediately vest in the Lessee.

Neither the Lessee nor any "affiliate" (as that term is hereinafter defined) of the Lessee shall be permitted to purchase any Item of Equipment with respect to which this Lease has been terminated pursuant to Section 11.3 or Section 11.4. For purposes of this Section 11.6, the term "affiliate" shall mean any parent or subsidiary of the Lessee or any corporation or other person consolidated in the published financial statements of the Lessee in accordance with generally accepted accounting principles or any other corporation or person the majority of which is directly or indirectly owned by the Lessee.

11.7. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Purchase Price of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule C opposite such date of payment.

11.8. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage

thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.9. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession. If at the end of the then current term of this Lease any Item of Equipment is then owned or held by any governmental authority under the power of eminent domain or otherwise and this Lease shall not then be renewed pursuant to Section 18 hereof, from and after such date the Lessor shall be entitled to receive and retain for its own account all sums payable by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before the first May 1 which occurs more than four months following the date of this Lease and each succeeding May 1 during the term of this Lease, the Lessee will furnish to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser and the Secured Party) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser and the Secured Party) each shall have the right during normal business hours and upon reasonable notice at their respective sole cost and expense, by their respective authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

13.1. Return. Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessor may designate, or in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90-day period to any reasonable place on any railroad lines in the continental United States designated by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment. All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to the Purchase Price of such Item of Equipment multiplied by the daily equivalent of the Fixed Rental rate, or (ii) the Fair Rental Value (determined in the manner provided in Section 18 hereof) for such Item for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

13.2. Condition on Return. Each Item of Equipment returned to the Lessor pursuant to this Section 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and shall have removed therefrom, at the Lessee's expense, all commodities and accumulations and deposits caused by commodities transported therein, and (ii) meet the standards in effect upon the expiration of this Lease required for a third party purchaser or third party lessee to immediately operate such Item of Equipment for general

haulage without further inspection, repair, replacement, alterations or improvements under the Interchange Rules and/or the applicable rules of any governmental agency or other organization with jurisdiction. Nothing contained in this Section 13.2 shall be construed as requiring the Lessee to modify or alter the Equipment to conform to any particular, special or peculiar third party requirements.

13.3. Linings. The Lessee shall, at its sole cost and expense, maintain and renew all car linings (including existing linings and new linings) in respect of each Item of Equipment during the term of this Lease whenever reasonably necessary, including when necessitated by repairs to other portions of such Item; and the Lessee shall be responsible for removing the lining from each Item prior to the return thereof upon expiration or termination of this Lease unless the Lessor shall specify to the contrary.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or Casualty Value provided in Section 2 or 11 hereof and such default shall continue for five days and such default shall not be cured within 48 hours after written or telephonic notice of such default;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof not permitted by this Lease or Lessee shall permit the lapse of any insurance required to be maintained pursuant to Section 11.1;

(c) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 60 days after written notice thereof from the Lessor or any Assignee of the rights of the Lessor hereunder pursuant to Section 16 hereof to the Lessee, specifying the default and demanding the same to be remedied;

(d) Any material representation or warranty made by the Lessee herein or in the Participation Agreement or the Purchase Order Assignment or in any statement or certificate furnished to the Lessor, the Note Purchaser or the Secured Party pursuant to or in connection with this Lease, the Participation Agreement or the Purchase Order Assignment is untrue in any material respect as of the date of issuance or making thereof;

(e) A petition for reorganization under Title 11 of the United States Code (as now or hereafter constituted) shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed; or

(f) Any proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder), and, if commenced against the Lessee, are consented to or are not dismissed within 90 days after such proceedings shall have been commenced.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may upon not less than two days' prior written notice by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of

such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination, such present worth to be computed in each case on a basis of a 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rental payment date on or immediately preceding the date of termination over the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified in Section 18.2(c) hereof; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but

shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Note Purchaser and the Secured Party, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. Each Item of Equipment shall be in the condition required by Section 13 hereof. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment in such reasonable storage place on such railroad tracks in the continental United States as the Lessor may designate or, in the absence of such designation, as the Lessee may select; provided that, in the event the Lessor shall designate storage tracks which are then unavailable, then the Lessee agrees to so store the Items of Equipment upon such other storage tracks as shall then be so available and nearest to such storage tracks designated by the Lessor;

(b) Provide storage at the risk of the Lessee for each Item of Equipment on such tracks without charge

for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof;

(c) Transport the Equipment to any place of interchange on the lines of railroad within a 500-mile radius of such storage tracks, all as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item provided that the Lessee shall have received two days' prior written notice of any such demand and retaking.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (a) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason of

failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (b) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 20.2 hereof which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (c) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the rights of the Lessee under this Lease to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession by Lessee. The Lessee agrees that the Equipment will be used solely within the continental limits of the United States of America; provided that not more

than 5% of the Items of Equipment at any time may be located in Canada. The Lessee agrees that it will not, without prior written consent of the Lessor, which consent shall not be unreasonably withheld, assign this Lease or any of its rights hereunder or sublease any Item of Equipment; provided, however, that such consent shall not be required for the sublease of any Item of Equipment, so long as each such sublease shall be made expressly subject and subordinate to this Lease and the terms and provisions hereof; provided further, however, that neither such consent nor such subjection and subordination shall be required for any sublease for a period of less than 120 days of any Item of Equipment for single trips to any customers or affiliates of the Lessee, where the sole purpose of such sublease is to obtain an exemption from demurrage for any such Item of Equipment so subleased. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligations hereunder, which shall be and remain those of a principal and not a surety. The Lessee shall notify in writing the Lessor and any assignee of the Lessor pursuant to Section 16 hereof of any sublease of any Item of Equipment (except for any single trip subleases of less than 120 days to and for the convenience of customers of the Lessee or affiliates of the Lessee where the sole purpose of such sublease is to obtain exemption from demurrage), which notice shall also specify the name and address of such sublessee.

So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such an Event of Default, the Lessee may receive and retain for its own account such compensation for assignment or subletting the Equipment and/or for use of the Equipment by others as the Lessee may determine. Without limiting the foregoing, it is contemplated that the Lessee shall collect and retain for its own account all mileage allowances, rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use, ownership or operation of the Equipment, and if for any reason the Lessor shall receive any Mileage then, unless an Event of Default (or event which with the lapse of time or giving of notice, or both, would become an Event of Default) shall have occurred and be continuing, the Lessor shall promptly remit without interest said Mileage to the Lessee after the Lessee shall have furnished to the Lessor an opinion, ruling or other evidence reasonably satisfactory to the Lessor's legal counsel to the effect that the Lessor may remit all or any portion of said Mileage to the Lessee without violation of the provisions of 49 U.S.C. Section 11902, or any other applicable law or regulation. The obligation of the Lessor under the next preceding sentence shall survive termination of this Lease.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or

substantially all of the assets of the Lessee, provided that such assignee, successor or transferee shall have duly assumed the obligations of the Lessee hereunder and that it will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Lease and that such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a surety.

SECTION 18. RIGHT OF FIRST REFUSAL; RENEWAL OPTION.

18.1. Right of First Refusal. Unless an Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not, at or before the expiration of the term of this Lease (including any renewal term pursuant to Section 18.2 hereof) sell, transfer or otherwise dispose of an Item of Equipment or at any time within 90 days following the expiration of the term of this Lease (including any such renewal term) sell, transfer or otherwise dispose of an Item of Equipment for delivery within such 90-day period unless:

(a) the Lessor shall have received from a responsible purchaser or purchasers a bona fide offer or offers in writing to purchase such Item of Equipment;

(b) the Lessor shall have given the Lessee notice (i) setting forth in detail the identity of such purchaser or purchasers, the Item or Items of Equipment to be purchased, the proposed purchase price or prices, the proposed date of purchase and all other material terms and conditions of such purchase, including, without limitation, any arrangements for the financing of such purchase known to the Lessor, and (ii) offering to sell such Item of Equipment to the Lessee upon the same terms and conditions as those set forth in such notice; provided that in the event such proposal is in respect of more than one Item of Equipment, the Lessee must purchase all such Items of Equipment as a group; and provided, further, that nothing contained herein shall be construed as requiring the Lessor to provide financing to the Lessee to enable it to purchase any Item(s) of Equipment; and

(c) the Lessee shall not have notified the Lessor, within 15 days following receipt of such notice, of its election to purchase such Item or Items of Equipment upon such terms and conditions.

If the Lessee shall not have so elected to purchase such Item or Items of Equipment, the Lessor may sell such Item or Items of Equipment at a price and upon other terms and conditions no less favorable to the Lessor than those specified in such notice.

Notwithstanding the foregoing provisions of this Section 18.1, the Lessor may, if the Lessee has not renewed this Lease pursuant to Section 18.2 hereof, lease any or all Items of Equipment at any time after the end of the original term of this Lease (or, if the Lessee has renewed this Lease for a renewal term pursuant to Section 18.2 hereof, at the end of such renewal term) without first offering to lease the Equipment to the Lessee.

18.2. Renewal Option. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the following renewal options:

(a) The Lessee shall have the option to renew and extend this Lease as to all, but not less than all, of the Items of Equipment then leased hereunder for one additional term in excess of one year as the Lessee and the Lessor shall agree upon and subject to the terms and conditions herein contained for the original term of this Lease; provided that the Fixed Rental payable for and during any such renewal term shall be an amount equal to the Fair Rental Value (as hereinafter defined) of such Items of Equipment.

(b) The Casualty Value payable for and during any renewal term pursuant to Section 18.2(a) in respect of any Item of Equipment suffering a Casualty Occurrence during such term shall be the Fair Market Value of such Item of Equipment as of the first day of the year in which such Casualty Occurrence shall occur.

(c) The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If on or before 90 days prior to the date of commencement of the renewal term elected by the Lessee, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days after the beginning of such 90-day period, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 60 days

prior to the date of commencement of the renewal term elected by the Lessee, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

The Lessee shall give the Lessor written notice of the election to renew the term of this Lease pursuant to Section 18.2(a) hereof at least 120 days prior to the commencement of the renewal term.

18.3. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in Section 18.1 or to renew this Lease in respect of such Items of Equipment as provided in this Section 18.2, all of such Items of Equipment shall be returned to the Lessor at the end of the original term, or the renewal term, as the case may be, in accordance with Section 13 hereof.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 16.625% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. MISCELLANEOUS.

20.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been duly given when delivered personally or otherwise actually received or five business days after being deposited in the United States certified mails, postage prepaid (whichever is earlier), addressed as follows:

If to the Lessor: Valley Bank Leasing, Inc.
P.O. Box 71
Department C-719
Phoenix, Arizona 85001
Attention: Lease Administrator

[With copies to:
GATX Leasing Corporation ("GATX")
Four Embarcadero Center
San Francisco, California 94111
Attention: Contracts Administration]

If to the Note
Purchaser:

American United Life Insurance Company
One West 26th Street
Indianapolis, Indiana 46206
Attention: Securities Division

All notices and communications to be
addressed as above, but all payments
to be addressed as follows:

By bank wire transfer of Federal
or other immediately available
funds (identifying each payment
as to issuer, security and principal
or interest) to:

Account #20-6168-7
American Fletcher National Bank
7th Floor, Wire Transfer Department
101 Monument Circle
Indianapolis, Indiana 46204

If to the Secured
Party:

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60690
Attention: Corporate Trust Department

If to the Lessee:

The B. F. Goodrich Company
500 South Main Street
Akron, Ohio 44318
Attention: Treasurer

or addressed to any such party at such other address as such
party shall hereafter furnish to such other parties in writing.

20.2. Right of Lessor to Perform. If the Lessee shall
fail to comply with any of its covenants herein contained, either
the Lessor or, in the case of an assignment by the Lessor pursuant
to Section 16 hereof, the assignee thereunder (including, without
limitation, the Secured Party and the Note Purchaser) may, but
shall not be obligated to, make advances to perform the same and
to take all such action as may be necessary to obtain such perform-
ance. Any payment so made by any such party and all cost and
expense (including, without limitation, reasonable attorneys' fees
and expenses) incurred in connection therewith shall be payable by
the Lessee to the party making the same upon demand as additional
rent hereunder, with interest at the rate of 16.625% per annum (or
the lawful rate, whichever is less).

20.3. Execution in Counterparts. This Lease, and any
amendment hereto, may be executed in several counterparts, each of

which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

20.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

20.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

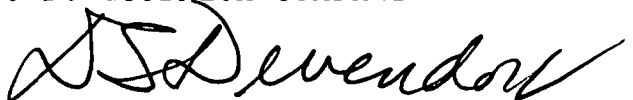
20.6. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

VALLEY BANK LEASING, INC.

By _____
Its _____

THE B. F. GOODRICH COMPANY

By 
Its _____

ADG
BFS

STATE OF ARIZONA)
) SS
COUNTY OF)

On this ____ day of _____, 1981, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of VALLEY BANK LEASING, INC., an Arizona corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires:

STATE OF OHIO)
) SS
COUNTY OF SUMMIT)

On this 23rd day of December, 1981, before me personally appeared David S. Devendorf, to me personally known, who being by me duly sworn, says that he is the Vice Pres. - Treasurer of THE B. F. GOODRICH COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Zeena M. Meyers
Notary Public

(NOTARIAL SEAL)

ZELLA M. MEYERS, Notary Public
State Of Ohio – Resident County, Summit
My Commission Expires 9-3-86

DESCRIPTION OF ITEMS OF EQUIPMENT

Manufacturer of Equipment:	ACF Industries, Incorporated
Description and Mark and Number of Items of Equipment:	44 Hopper Cars Marked and Numbered BFGX 1161 to BFGX 1204, both inclusive
Base Purchase Price of Equipment:	\$52,875 per Item (\$2,326,500 for 44 Items)
Maximum Aggregate Purchase Price of Equipment:	\$58,162.50 (\$2,559,150 for 44 Items)
Place of Delivery:	Louisville, Kentucky
Outside Delivery Date for Equipment:	December 31, 1981

(BFGoodrich No. 81-2)

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: Valley Bank Leasing, Inc.,
an Arizona corporation
(the "Lessor")

ACF Industries, Incorporated (the "Manufacturer")

I, a duly appointed and authorized representative of The B. F. Goodrich Company (the "Lessee") under the Equipment Lease dated as of February 15, 1981 between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

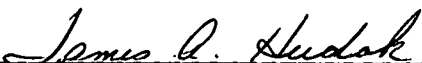
MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment are in good order and condition, and appear to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"Leased from Valley Bank Leasing, Inc.,
as Owner and Subject to a Security Interest
Recorded with the I.C.C."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Manufacturer for any warranties it has made with respect to the Equipment.

Dated: _____, 19__



Inspector and Authorized
Representative of the Lessee

(BFGoodrich No. 81-2)

SCHEDULE B
(to Equipment Lease)

SCHEDULE OF CASUALTY VALUE FOR EQUIPMENT

The Casualty Value for an Item of Equipment payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid</u>	<u>Percentage of Purchase Price Payable as Casualty Value</u>
Term Lease Commencement Date	115.054%
January 1, 1983	119.164
July 1, 1983	122.345
January 1, 1984	123.778
July 1, 1984	124.840
January 1, 1985	125.906
July 1, 1985	126.371
January 1, 1986	126.045
July 1, 1986	125.422
January 1, 1987	124.572
July 1, 1987	123.702
January 1, 1988	122.966
July 1, 1988	122.167
January 1, 1989	121.304
July 1, 1989	120.370
January 1, 1990	119.393
July 1, 1990	118.359
January 1, 1991	117.256
July 1, 1991	116.085
January 1, 1992	114.847
July 1, 1992	113.547
January 1, 1993	112.213
July 1, 1993	110.828
January 1, 1994	108.148
July 1, 1994	105.253
January 1, 1995	102.158
July 1, 1995	98.973
January 1, 1996	95.743
July 1, 1996	92.357
January 1, 1997	88.848
July 1, 1997	85.188
January 1, 1998	81.431
July 1, 1998	77.523
January 1, 1999	73.521
July 1, 1999	69.374
January 1, 2000	65.155
July 1, 2000	60.824
January 1, 2001	56.440
July 1, 2001	51.950
January 1, 2002	47.444

(BFGoodrich No. 81-2)

SCHEDULE C
(to Equipment Lease)

Term Lease Commencement Date
or Number of Fixed Rental
Payment Date on which
Casualty Value is Paid

Percentage of Purchase
Price Payable as
Casualty Value

July 1, 2002	42.862
January 1, 2003	38.309
July 1, 2003	33.378
January 1, 2004	28.170
July 1, 2004	25.000